
A BILL FOR AN ACT

RELATING TO CHILD CARE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In an attempt to strengthen minimum standards
2 of child care to improve health and safety of children, the
3 legislature enacted Act 161, Session Laws of Hawaii 2017,
4 requiring child care providers to obtain and maintain liability
5 insurance coverage. Act 161 amended section 346-157, Hawaii
6 Revised Statutes, directing the department of human services to
7 require all child care providers to obtain and maintain
8 liability insurance as a condition of operating a child care
9 facility.

10 The legislature finds that while insurance coverage for
11 providers of child care services is available, there are a
12 variety of policy limits, premium amounts, coverages, and
13 exclusions from coverage that may be applicable to an individual
14 child care provider, as determined by the market. The
15 legislature is concerned that unavailability of specified
16 coverage and cost of obtaining and maintaining insurance
17 coverage may result in a decrease in the number of regulated



1 home-based family child care and group child care providers
2 across the State. Currently, there are approximately four
3 hundred independent regulated home-based family child care and
4 group child care providers statewide. A reduction in available
5 regulated home-based family child care and group child care
6 providers may further result in an increase in child care costs
7 at remaining providers. This may cause families to forego
8 employment to provide their own child care or to choose
9 unregulated child care. Foregoing employment will reduce a
10 family's income and resources and choosing unregulated child
11 care means the family will not have the benefit of the health
12 and safety measures provided through regulated child care.

13 Further, the legislature finds that survey responses from
14 home-based child care providers indicate that insurance
15 providers have informed child care providers that current
16 homeowners' policies may not be renewed if they are conducting a
17 child care business on the insured property. The legislature
18 finds that the inability of homeowners to obtain homeowners'
19 insurance due to providing child care services is clearly an
20 unintended consequence of Act 161.



1 The purpose of this Act is to amend liability insurance
2 requirements for child care providers by:

- 3 (1) Deleting the Department's obligation to specify the
4 required coverage amount; and
- 5 (2) Delay the implementation and enforcement of Act 161 to
6 provide the legislature additional time to study the
7 issue and balance access to affordable, regulated
8 child care and affordable insurance coverage and to
9 give the department additional time to develop and
10 implement a compliance process to verify that a
11 regulated child care provider maintains liability
12 insurance.

13 SECTION 2. Section 346-157, Hawaii Revised Statutes, is
14 amended by amending subsections (b) and (c) to read as follows:

15 "(b) The department shall require all providers to obtain
16 and maintain liability insurance coverage [~~in an amount~~
17 ~~determined by the department~~] as a condition of licensure,
18 temporary permission, or registration to operate a child care
19 facility.



1 (c) The department, as a condition of continued licensure,
2 temporary permission, or registration, shall require all
3 providers to disclose in writing to each parent or guardian:

4 (1) Applying to have a child cared for at the provider's
5 facility, summary information including the insurer's
6 name and contact information, coverage amounts, and
7 effective dates for the provider's liability insurance
8 coverage at the time of application; ~~[or]~~ and

9 (2) Within seven working days of any change, cancellation,
10 or termination of liability insurance coverage, that
11 the coverage has been changed, canceled, or terminated
12 while the parent's or guardian's child is cared for at
13 the provider's facility."

14 SECTION 3. Act 161, Session Laws of Hawaii 2017, is
15 amended by amending section 3 to read as follows:

16 "SECTION 3. The department of human services shall submit
17 a report to the legislature, no later than twenty days prior to
18 the convening of the regular session of ~~[2018,]~~ 2019, on the
19 following issues related to the liability insurance requirements
20 established by section 2 of this Act:



1 ~~[(1) The amount of liability insurance coverage required to~~
2 ~~be obtained by child care providers;~~

3 ~~-(2)]~~ (1) The costs incurred by child care providers to
4 obtain liability insurance and the projected impact
5 these costs may have on the rates charged to
6 consumers; and

7 ~~[(3)]~~ (2) Outreach efforts conducted by the department, to
8 ensure compliance with the requirements of this Act."

9 SECTION 4. Act 161, Session Laws of Hawaii 2017, is
10 amended by amending section 5 to read as follows:

11 "SECTION 5. This Act shall take effect on July 1, 2017;
12 provided that implementation and enforcement of the liability
13 insurance requirements under section 2 of this Act shall take
14 effect on ~~[January 1, 2019.]~~ July 1, 2019."

15 SECTION 5. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on July 1, 3000.



Report Title:

Licensed Child Care Providers; Liability Insurance; Department of Human Services

Description:

Deletes the Department of Human Services' obligation to determine required liability insurance coverage amounts for regulated child care providers. Extends the implementation and enforcement date of liability insurance requirements for regulated child care providers contained in Act 161, Session Laws of Hawaii 2017, until July 1, 2019. (HB2530 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

